

PRYOR CASHMAN LLP
Seth H. Lieberman, Esq.
Matthew W. Silverman, Esq.
7 Times Square
New York, New York 10036-6569
Telephone: (212) 421-4100
Facsimile: (212) 326-0806
slieberman@pryorcashman.com
msilverman@pryorcashman.com

Attorneys for Luxoft Global Operations GmbH

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

AVAYA INC., *et al.*,

Debtors.

Chapter 11

Case No. 17-10089 (SMB)

(Jointly Administered)

**RESERVATION OF RIGHTS OF LUXOFT GLOBAL OPERATIONS GmbH IN
CONNECTION WITH THE SALE OF THE DEBTORS' NETWORKING BUSINESS**

Luxoft Global Operations GmbH ("Luxoft"), a creditor and contract counterparty in the above-captioned cases, by and through its undersigned counsel, submits this reservation of rights (the "Reservation of Rights") in connection with the sale of the Debtors' networking business pursuant to the terms of the Stalking Horse APA¹ and exhibits thereto, and the *Order (A) Approving Bidding Procedures and Bid Protections In Connection With the Sale of the Debtors' Networking Business*, (B) *Approving the Stalking Horse Asset Purchase Agreement*, (C) *Approving the Form and Manner of Notice*, (D) *Scheduling an Auction and a Sale Hearing*, (E) *Approving Procedures for Determining Cure Amounts*, and (F) *Extending the Assumption/Rejection Deadline*

¹ Capitalized terms used in this Reservation of Rights and not otherwise defined herein have the meanings given to such terms in the *Debtors' Motion Seeking Entry of (I) an Order (A) Approving Bidding Procedures In Connection With the Sale of the Debtors' Networking Business*, (B) *Approving the Form and Manner of Notice*, (C) *Scheduling an Auction and a Sale Hearing*, (D) *Approving Procedures for Determining Cure Amounts*, and (E) *Extending the Deadline to Assume or Reject the Billerica Lease*, and (II) *an Order Authorizing and Approving the Sale of the Debtors' Networking Business* [Dkt. No. 223].

for the Billerica Lease [Dkt. No. 356] (the “Bid Procedures Order”). In support of this Reservation of Rights, Luxoft respectfully states as follows:

Background

1. Luxoft is a leading provider of software development services and information technology solutions, and is a party to that certain Master Services Agreement, dated as of January 1, 2014, by and among Luxoft, Avaya Inc., and Avaya International Sales Limited (as amended and restated, the “Services Agreement”). Luxoft continues to conduct business with the Debtors as Debtors-in-Possession.

2. On March 8, 2017, the Debtors filed the *Debtors’ Motion Seeking Entry of (I) an Order (A) Approving Bidding Procedures In Connection With the Sale of the Debtors’ Networking Business, (B) Approving the Form and Manner of Notice, (C) Scheduling an Auction and a Sale Hearing, (D) Approving Procedures for Determining Cure Amounts, and (E) Extending the Deadline to Assume or Reject the Billerica Lease, and (II) an Order Authorizing and Approving the Sale of the Debtors’ Networking Business* [Dkt. No. 223].

3. On April 5, 2017, the Court entered the Bid Procedures Order. The Bid Procedures Order authorized and approved, *inter alia*, certain sale and bid procedures in connection with the sale of the Debtors’ networking business free and clear of all liens, claims, interests, and encumbrances pursuant to the terms of the Stalking Horse APA and exhibits thereto (the “Sale”). In connection with the Sale, the Bid Procedures Order approved certain assumption and assignment procedures with respect to those executory contracts and unexpired leases that the Debtors propose to assume and assign to the Stalking Horse Bidder (or other Successful Bidder).

4. Pursuant to the terms of the Stalking Horse APA, and more broadly, the requirements of the Bankruptcy Code, on or prior to the closing of the Sale, the Debtors must “pay,

or cause to be paid, the Cure Payments and cure any and all other defaults and breaches under the Transferred Contracts.” See Stalking Horse APA, § 5.17 [Dkt. No. 223-1].

5. Accordingly, on April 26, 2017, the Debtors filed *Notice of Filing of Revised Exhibit 1 to the Form of the Contract Assumption Notice for the Sale of the Debtors’ Networking Business* [Dkt. No. 467] (the “Assumption Notice”).

6. The Services Agreement is listed on the Assumption Notice as a Transferred Contract to be assumed and assigned by the Debtors pursuant to section 365 of the Bankruptcy Code in connection with the Sale. The Debtors list the Cure Amount of the Services Agreement as \$0.

Reservation of Rights

7. As of the date hereof, Luxoft does not dispute the Cure Amount included in Exhibit 1 to the Bid Procedures Order. However, Luxoft reserves all rights to assert any further cure amounts that may become due and owing after the date hereof through and including the date of any assumption and assignment of its respective Services Agreement.

8. Moreover, Luxoft reserves its right to object to the assumption and assignment of the Services Agreement to the Stalking Horse Bidder (or other Successful Bidder) to the extent that the Debtors fail to provide adequate assurance of future performance under the Services Agreement consistent with section 365(b)(1)(C) of the Bankruptcy Code.

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WHEREFORE, Luxoft hereby reserves its right to be heard on all issues set forth herein including, but not limited to, the Cure Amount and ability of the Stalking Horse Bidder (or other Successful Bidder) to adequately perform under the Services Agreement.

Dated: New York, New York
May 18, 2017

PRYOR CASHMAN LLP

/s/ Seth H. Lieberman

Seth H. Lieberman, Esq.

Matthew W. Silverman, Esq.

7 Times Square

New York, New York 10036-6569

Telephone: (212) 421-4100

Facsimile: (212) 326-0806

E-mail: slieberman@pryorcashman.com

msilverman@pryorcashman.com

-and-

SHERMAN WELLS SYLVESTER & STAMELMAN LLP

Anthony J. Sylvester, Esq.

Jordan D. Weinreich, Esq.

210 Park Avenue, 2nd Floor

Florham Park, New Jersey 07932

Telephone: (973) 302-9700

Facsimile: (973) 845-2546

E-mail: asylvester@shermanwells.com

jweinreich@shermanwells.com

Attorneys for Luxoft Global Operations GmbH